

Board of Commissioners
Chair Ed Wolfe
Vice Chair Rob Putaansuu
Becky Erickson
Charlotte Garrido
Robert Gelder
Danielle Murphy
Val Tollefson
Executive Director
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**HOUSING KITSAP BOARD OF COMMISSIONERS
WORK STUDY
APRIL 18, 2017
MINUTES**

Board in Attendance: Kitsap County Commissioner Ed Wolfe(Chair), Mayor of City of Port Orchard Rob Putaansuu (Vice Chair), Mayor of City of Poulsbo Becky Erickson, Kitsap County Commissioner Charlotte Garrido, Resident Commissioner Danielle Murphy, Kitsap County Commissioner Rob Gelder, City of Bainbridge Island Council Member Val Tollefson.

Attending Staff: Executive Director Stuart Grogan, Chief Financial Officer Wendy Dutenhoeffer, Administrative Support Assistant Tara Owensby, Director of Real Estate Management and Housing Programs Holly Paterson Assistant Director of Finance Kim Seibold, Group Coordinator Brenda Tate.

Absent: Project Manager of Affordable Housing Development Mike Brown, Self-Help Program Director Dean Nail.

1. Call to Order:

Chair Wolfe called the meeting to order at approximately 11:00 a.m.

2. Review of the proposed agenda:

No comment.

3. Meeting Minutes:

The March Work Study meeting minutes were approved by consensus.

4. Board questions and discussion regarding the Program Updates:

Commissioner Erickson requested clarification of numbers from the financial report. Kim responded that the numbers questioned are and should be listed as short-term liabilities.

5. Budget discussion:

Wendy reported that normally this time of year, Housing Kitsap (HK) would be talking about approving the 2018 Housing Kitsap Budget. With the software conversion, the current budget process is further complicated. In past years, there were periods where HK did not have an approved budget or was adopted late.

Previous budgets were detailed but the information that was incorporated into the budget and detail information was unknown and difficult to find. There was more staff time spent searching for the needed information. The current budget structure does not include project accounting and project

managers, or housing managers cannot easily locate the information they need to manage their properties based on their budgets and expenditures.

Wendy proposed to the Board that her goal and solution to the current budget process is to create a realistic and transparent budget using zero-based budgeting. HK hopes to align the new budget process with the conversion to Tenmast.

Wendy said that HK would like to incorporate the LEAN processes, educate staff, empower staff on the budget process, give the staff who should have budget ownership, as well as, the ability to write their budget, and create a reference documents available for anyone to view. The budgets are a living document that would aid in preparation for future budgets.

Wendy suggested that instead of creating a budget like in the recent past, she would like to use the budget for 2017, update it based on known changes for salary, merit increases, increase in PERs L&I rates, and make an adjustment for the CLA, then purpose an interim 2018 budget to the Board. The budget would be similar to the current budget. Then staff would present to the Board milestones of goals, objectives, have a fully integrated final 2018 Budget by September 30, 2017, 3 months past the beginning of the fiscal year. Commissioner Erickson said that budgets are imperative and HK has to have an accurate budget, she suggested that HK allow enough time to produce the budget accurately and that December 31, 2017 would be a more realistic deadline for an accurate final budget for 2018.

Wendy went over the steps to complete the proposed changes and provided the Board with a document outlining the timeline and process.

There was discussion of the current budget and the proposed budget process and change. Several Commissioners mentioned that they are not surprised to hear of the complications of the budget and were concerned to not have an approved budget. Wendy mentioned that she is very optimistic regarding the ability to complete this project. The Commissioners requested that staff provide them with a budget update at each Board meeting.

Wendy mentioned that part of the CLA amendment was that HK would analyze costs to see about saving the agency money.

6. Relocation discussion:

A. Office Due Diligence

Stuart summarized the information that was provided in the Board packet and clarified that the Environmental testing was completed last week resulting in no findings of concern as of yet, the results will be available on April 25. Stuart reported that there was an addition made to the previously existing contingency, which the Housing Kitsap Board of Commissioners could end the contract at any time for whatever reason, if they deemed necessary. The seller agreed to the sole contingency addition. This contingency is valid until May 6, 2017.

Commissioner Gelder inquired of what HK would still own at the NDGC. Stuart responded that HK still owns the rented space on the fifth floor where Congressman Derek Kilmer's office resides and since HK still owns space, the use of the NDGC Chambers is an option for HK meetings.

B. City of Bremerton (CoB)

Stuart said that all revisions to the draft contract are complete and scheduled for review and action by the City Council on April 19, 2017.

C. Amendments to the County Loan Agreement(CLA)

The amendments have been approved and are fully executed.

7. Adjournment:

The Board of Commissioners Work Study meeting was adjourned at approximately 12:03 PM.

ATTEST:



STUART GROGAN

Executive Director

ATTEST:



TARA OWENSBY

Administrative Support Assistant

5/16/2017

Date Approved